2011 Legislature TPS Report 54477v2

**Agency: Commerce, Community and Economic Development** 

Grants to Named Recipients (AS 37.05.316)
Grant Recipient: World Trade Center Alaska

Project Title: Project Type: Other

# **World Trade Center Alaska - International Trade Partnership Project**

State Funding Requested: \$300,000 House District: Statewide (1-40)

Future Funding May Be Requested

#### **Brief Project Description:**

Providing Alaska businesses, organizations, and individuals with information, analysis, and hand-on assistance to help them identify and pursue international trade opportunities.

#### **Funding Plan:**

Total Project Cost:	\$300,000
Funding Already Secured:	(\$0)
FY2012 State Funding Request:	(\$300,000)
Project Deficit:	\$0
Funding Details:	
FY10: \$65,000 GF	

### **Detailed Project Description and Justification:**

#### Project Description:

World Trade Center Alaska (WTCAK) will provide trade leads, trade information, market analysis, produce trade-related reports, organize monthly luncheon meetings, seminars, conferences, and trade missions, and provide one-on-one trade counseling. WTCAK will also serve as a central clearinghouse to direct Alaskans to the appropriate organization or agency that can assist them depending on their stage business development and export readiness. The funds will be used primarily to cover allowable day-to-day expenses associated with carrying out this project.

#### Justification:

Alaska is one of America's most trade oriented states. While most states have significant domestic markets for their manufactured goods, technologies, or agricultural products, Alaska is heavily dependent on overseas markets for its natural resources and service sector exports. In total exports, Alaska ranks 44th among the states, however, on a per-capita basis, Alaska ranks 4th; and considering exports as a percentage of Gross State Product (the sum of all goods and services produced in a state in a given year), Alaska ranks 8th among the states. Alaska's export industries play an important role in the state's economy (jobs, revenue, etc.) and are vital to the state's overall economic well-being.

Alaska's exports reached a record of \$4 billion in 2006, and have remained at relatively high levels since then. In 2008, the state's commodity exports to overseas markets totaled \$3.6 billion.

For use by Co-chair Staff Only:

\$300,000 Approved

Federal Tax ID: 920158395

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The project will commence on July 1, 2011 and will conclude on June 30, 2012.

The expenditures will occur on a monthly basis throughout the fiscal year.

#### **Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

n/a

#### **Grant Recipient Contact Information:**

Name: Greg Wolf

Title: Executive Director

Address: 431 West 7th Avenue, Suite 108

Anchorage, Alaska 99501

Phone Number: (907)278-7233 Email: alex@wtcak.org

Has this project been through a public review process at the local level and is it a community priority? Yes X No

Contact Name: Esther Tempel Contact Number: 465-3579 For use by Co-chair Staff Only:

10:27 AM 5/27/2011

### **FY '12 Grant Request**

# **Export Alaska International Trade Partnership Project Export Market Development and Expansion**

Requestor: World Trade Center Alaska (WTCAK)

**Grant Amount:** \$300,000

**Funding Sources:** General Fund/Business License Receipts

#### **Background:**

Alaska is one of the most trade-oriented states in America.

Unlike most states that have significant domestic markets for their manufactured goods, technologies, and agricultural products, Alaska is heavily dependent on overseas markets for its natural resource and technical services exports. In recent years, the state's overseas exports have reached between \$3.3 billion and \$4 billion. Export activities generate and sustain thousand of jobs across the state in such industries as seafood, mining, energy, and forest products, among others. Exports enable Alaska to have a more diversified and stable economy. Exports account for approximately 10% of the state's Gross State Product.

A recent study conducted by Northern Economics, a leading Alaskan economic consulting firm, detailed the important benefits to the Alaskan economy as a result of export activities. Highlights include:

- □ In 2008, export activities were responsible for 14,940 direct jobs and 9,814 indirect jobs, for a total of 24,754 jobs.
- □ In 2008, the economic impact of Alaska's export activities was more than \$5 billion, taking into account both the actual value of the exports themselves and the indirect and induced benefits derived from export activities.
- Measuring exports as a percentage of the Gross State Product, Alaska ranked 27<sup>th</sup> among all states in 2009.
- □ Measuring exports on a per capita basis, Alaska's ranked sixth among all state sin 2009.

(Page 2 of 3) World Trade Center Alaska FY '12 Grant Request

With only limited opportunities to sell commodities, goods, and services to the Lower 48 market, companies operating in Alaska are increasingly looking to overseas markets for customers. Alaska's major export markets are heavily concentrated in the Pacific Rim, particularly Asia. This is fortunate for Alaska as the Asian economies are among the fastest growing in the world and projected to stay that way for the foreseeable future. The state's top three export markets are all found in Asia: Japan, China, and Korea. The ongoing economic expansion of emerging markets in Asia will create significant opportunities for Alaskan exports in the future.

#### **Purpose of the Grant**:

To provide funding support to World Trade Center Alaska (WTCAK) to enable the organization to conduct activities, programs, and events to assist Alaskans to compete successfully for trade and investment in the global market place. These efforts are primarily focused to benefit small and medium-sized companies in Alaska. Funding provided by the grant will enable WTCAK to:

- □ Provide Alaskan business people with the information and hands-on-assistance they need to initiate or expand export activities;
- Organize and conduct major international trade-focused business conferences;
- Organize and conduct seminars that offer expert presenters on topics such as trade finance, international shipping, marketing to overseas customers, and other related subjects;
- □ Plan and conduct trade missions of Alaskan business executives and government officials to overseas markets important to Alaska's export growth;
- ☐ Assist in-bound overseas business delegations to meet with appropriate Alaskan business executives and government officials;
- □ Promote Alaska's export capabilities in overseas markets;
- □ Prepare and distribute trade promotion materials that can be used effectively by both private and public sector entities.

(Page 3 of 3) World Trade Center Alaska FY 12 Grant Request

#### **Summary**

Home to world-class natural resource assets, and positioned strategically on the Pacific Rim close to some of the fastest growing economies in the world, Alaska has opportunities to significantly expand exports to markets overseas that need what Alaska has to sell. Growth in exports benefits Alaska at many levels, including supporting good, relatively high-paying jobs to Alaskans throughout the state. World Trade Center Alaska (WTCAK), in partnership with other organizations and agencies across the state, plays a unique role in working directly with Alaskan entrepreneurs and companies that seek to grow their business through international trade. Over the past 24 years, WTCAK has developed the contacts, experience, and expertise to provide Alaskans with the caliber of information and assistance that can lead to success.

#### **Contact Information**:

Greg Wolf Executive Director World Trade Center Alaska 431 West Seventh Avenue, Suite 108 Anchorage, Alaska 99501

Tele: 907-278-7234 (direct) Email: greg@wtcak.org Web: www.wtcak.org





Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-001

24 May 2011

Governor:

I am writing you to ask for your personal endorsement of our State's continued support of the World Trade Center Alaska (WTCA).

Specifically, I and the employees of my company, urge you to support full funding for At least \$300,000 for their day-to-day operations and their extraordinary efforts in promoting Alaskan companies in overseas markets

I am the owner of an air traffic control engineering and manufacturing firm in Anchorage that specializes in exporting high technology equipment developed here in Alaska. During the past five years, we have relied heavily on the advice of the WTCA Director, Mr. Greg Wolf and his staff to guide us through the complexities of exporting our products to foreign markets. I do not exaggerate when I say that they have been instrumental in helping us to establish profitable and very stable business relationships in China, South Korea, Singapore and Japan. The fact that they were there for us has produced more than \$6,500,000 in export sales to these countries.

Quite honestly, WTCA has sometimes been the only hope for small exporters here in Alaska. On behalf of all the small business exporters in our State, I hope you will give this appeal your immediate attention.

3111129121y,

Robert C. "Skip" Nelson

President & CEO

Cc: Lieutenant Governor Mead Treadwell



2014 Merrill Field Drive Anchorage, AK 99501-4116 P: 907.272.4495 F: 907.274.3265 www.aerometric.com

May 20, 2011

Honorable Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

Subj: Support for Full Funding of World Trade Center Alaska

Dear Governor Parnell:

Alaskan exports are a critical part of our state's economy, and if fully supported will pay dividends for the citizens of Alaska. I therefore support full funding for the World Trade Center Alaska and for your own Office of International Trade.

Funding request for World Trade Center Alaska is \$300,000 for day-to-day operations and overseas trade promotion.

I currently serve as Chairman of the Export Council of Alaska, appointed by Commerce Sec. Gary Locke, and see firsthand the many opportunities to strengthen our economy through exports. It is through the combined efforts of World Trade Center Alaska, your Office of International Trade, and the U.S. Export Assistance Center that we have the best chance of capitalizing on these many opportunities.

My company, Aero-Metric, Inc. provides aerial photography and detailed mapping services. A subsidiary, DAT/EM Systems International, has developed sophisticated computer based mapping technology that is exported to more than 70 countries. DAT/EM was a previous winner of the Governor's Exporter of the Year Award. Both Aero-Metric and DAT/EM, including our 60+ employees, have benefited from our long term membership in World Trade Center Alaska.

Thank you for your serious consideration of full funding for World Trade Center Alaska as well as your Office of International Trade. Doing so will give Alaskans an exciting return on that investment by creating jobs and bringing in additional revenue to our state.

Sincerely,

Aero-Metric, Inc.

Anthony B. Follett Senior Vice-President



Alaska Brands Group, LLC Corporate Offices 814 West Northern Lights Blvd Anchorage, Alaska 99503-3791 907.561.5223 main 907.877.56WATER 907.646.9783 fax

Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

May 23rd, 2011

Good Morning Governor Parnell,

In our prior discussion during your last campaign effort, I encouraged you to support international trade efforts, and particularly support the funding of the World Trade Center Alaska (WTC). I also told you that my wife and I have started (from the remains of the Mat Maid Dairy) a premium line of bottled water products targeting the Asian market. With this letter I would encourage you to further these goals with support of the funding request in place for World Trade Center.

This past week, I have had several meetings and teleconference calls with Asia representatives - all coordinated with help from WTC staff. Greg Wolf has personally assisted me, and travelled with my wife to Asia to help us win over new business and meet with various customer groups. Most important, the WTC has been instrumental in helping me break down all barriers in four different countries involving complex regulations of import, tariff, and customs regulations. I simply do not have the resources to manage these export challenges.

The WTC is the only organization in Alaska that actually works – on the ground – to help with new business opportunities, new business acquisition, and assisting the smaller business take on bigger markets and ably compete.

Please support the World Trade Center Governor, and you will by a stroke of your pen help our business, and many others in this State boost our exports to a waiting world. Thank you for taking the time to read this letter, I know you are busy. Stalde

Chairman

Copy: Lynn Allingham, CEO ABG



P.O Box 241288 Anchorage, AK 99524-1288 907-276-4373

Fax: 907-279-2900

www.akbizmag.com

May 18, 2011 Gov. Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

**RE: World Trade Center Alaska Funding** 

Dear Gov. Parnell

I want to congratulate the State Legislature on approving a \$300,000 grant for the World Trade Center Alaska, under the leadership of Executive Director Greg Wolf, for a new grant that supports this nonprofit organization that has a reach that never ends.

WTCAK is vital to the community and to worldwide trade that benefits Alaska. As you know, trade is increasing drastically in the state, with exports reaching \$4.2 billion in 2010, an increase of 26.95 percent over the previous year. Last year Alaska's annual exports hit their highest mark ever, according to you in a press release dated March 24, 2011.

This is greatly due to the World Trade Center's efforts. I have been to many social gatherings hosted by the WTCAK with leaders around the globe present, and have always been impressed by the work the WTCAK does with the little staff it has. It takes business leaders on global missions, and introduces opportunities for trade to much of Alaska.

As a result, I urge you to support full funding to the WTCAK for \$300,000. The center is beneficial to Alaska Business Monthly, as Greg Wolf is a regular contributor and gets the word out about trade in Alaska. He uses the articles he writes to market our exports worldwide, through reprints the WTCAK pays for.

The WTCAK is also benefit to Alaska businesses, especially those in minerals, fishing and other export markets. WTCAK is truly a corporate citizen and deserves this new funding to expand their dream of making Alaska an even greater exporter, bringing in money to the state and jobs to Alaskans.

If you have any questions, please don't hesitate to call.

Best,

Debbie Cutler Managing Editor/Alaska Business Monthly



## NOSEK LAW GROUP, LLC



Francis J Nosek Sheila Gallagher - Of Counsel - Direct Tel. 907-276-1641

810 N St., Suite 100 Anchorage, Alaska 99501 Telephone (907) 274-2602 Fax (907) 258-2001 Email frank@noseklaw.com

May 18, 2011

Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

Re: World Trade Center Alaska Funding

Dear Governor Parnell,

I urge you to continue your support of full funding for WTCAK in the amount of \$300,000.

WTCAK has been and continues to be beneficial to our firm and its Alaska clients who conduct international trade in many areas of the world.

Thank you in advance for your support!

Best regards.

Frank Nosek



Governor Sean Parnell
P.O. Box 110001
Juneau, Alaska 99811-0001

Lynden Incorporated 6400 South Airpark Place, Suite #1 Anchorage, AK 99502 (907) 245-1544 Fax: (907) 245-1744

Subject: Funding request for World Trade Center Alaska

Governor Parnell-

I first want to thank you for your ongoing efforts to keep Alaska open for business through your support of HB 110 (SB 49). I'm writing to you as a concerned lifelong Alaskan resident interested in continued economic growth for our great State. So I'm very excited about your efforts to strengthen the state's relationship with the most important economic engine we have....the Oil and Gas Industry. I encourage you to "keep the heat on" those legislators that seem to be turning a blind eye to potential economic disaster we face if we can't re-energize this vital sector of our economy.

Although my support for your efforts in this regard is complete, I am also keenly aware of and sensitive to the great dependency this State has on the Oil and Gas sector of our economy. There IS NO SUBSTITUTE for the value this industry brings to Alaska...and there never will be. However, I believe we should continue to aggressively develop other sectors of our economy so that we can be a little less depended on the Oil and Gas industry for our economic vitality.

One very important opportunity for continued economic diversification (not only for the State of Alaska, but for our country in general) is to expand Alaska's ability to Export to the World!

Significantly expanding the amount & value of Alaska's exports is the sole purpose of the **World Trade**Center Alaska, led by Greg Wolf, a dynamic, energetic and committed Executive Director. Under Greg's stewardship this organization has become an acknowledged leader in our efforts to expand Alaska's economic reach globally. It is imperative that we continue to invest our State resources to support this vital mission. At the risk of stating the obvious, I'd like to make several observations that are worth consideration:

-International trade brings billion of dollars to this state each year resulting in thousands of jobs for Alaskans.

-Identifying and developing new markets (or expanding on opportunities in markets that already exist such as China) for its exports of natural resources, services and value added products is critical to continued economic diversification and expansion.

-World Trade Center Alaska provides valuable trade information and services to the business community and has been doing so for almost 3 decades. This support helps Alaskan companies, like Lynden to be better informed and better positioned to export their goods and services.

-Lynden is a member of **World Trade Center Alaska** because we understand how it benefits us as well as many other companies across the state.

Lynden International's success in the Russia Far East market (one of Lynden's largest offshore markets) is to a significant degree the result of support and assistance received from World Trade Center Alaska in the initial stages of our RFE efforts. That support, as well as their ongoing assistance has resulted in significant opportunities not only for Lynden International, but for the Lynden companies in general. The impact on our operations here in Alaska (revenues, jobs, etc...) is significant, and our opportunities continue to grow. It's this kind of assistance to our business community that we must continue to nurture as a state.

As a business person and committed World Trade Center member, I urge you to support their funding request in full (\$300,000) which is currently in the budget just recently passed by the legislature. An "investment" in **World Trade Center Alaska** is a wise use of funds that will pay dividends to our business community for years to come.

Respectfully and Sincerely,

LYNDEN INTERNATIONAL

Rick Pollock

Vice President- Global Projects

Chairman- World Trade Center Alaska



May 19<sup>th</sup>, 2011

Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

RE: World Trade Center Alaska

#### Dear Governor Parnell:

I am writing to urge your continued support of World Trade Center Alaska (WTCAK) so they can continue to promote international trade and enhance Alaska's standing in the global marketplace. WTCAK provides a vital service to the Alaska business community and is worthy of your backing.

WTCAK's annual Statewide Economic Forecast Luncheon is a valuable event where members of Alaska's business community gather to learn about and discuss the state's economy and how it fits into a global framework. This year's luncheon series gave us at Northern Economics, Inc. the opportunity to share our Alaska Economic Outlook 2011 presentation with approximately 700 business and community leaders in Juneau, Fairbanks, and Anchorage. By offering our perspective on the movement of key economic variables that influence business conditions, the forum allows us to help Alaskans plan for success in the upcoming year.

Northern Economics completed a report for the WTCAK in July of 2010 which analyzed the importance of international exports to the Alaska economy. According to our findings, foreign exports generated more than \$5.5 billion in total economic output and supported nearly 15,000 direct and 9,800 indirect and induced jobs in Alaska in 2008. This study gives pertinent information to decision makers and increases the value of business facilitation and international marketing efforts of Alaska businesses.

Alaska's position in the global marketplace depends on its ability to capitalize on international trade opportunities. In light of the consistent efforts put forth to assist Alaskan business leaders in competing for foreign trade and investment, I urge you to fully fund WTCAK.

Sincerely,

Patrick L. Burden

Satul L. Bul

President



23 May 2011

From: Samuel Pelant, PMP

Anchorage, AK

Re:

Grant Funding Request by World Trade Center Alaska

To:

Governor Sean Parnell

P.O. Box 110001

Juneau, AK 99811-0001

#### Governor Parnell,

It has come to my attention that World Trade Center Alaska (WTCAK) is requesting \$300,000 in grant funding from the State of Alaska. I urge you to support the full amount of grant funding for WTCAK and please consider this letter as support for their request.

The impact of this organization has far reaching effects as my company experienced first-hand the benefits of their mission to promote Alaskan businesses abroad.

PolyEarth Construction International (PCI) is a small company that was formed in 2007. We developed a business model that successfully exports Alaskan construction project management and Alaskan based construction technologies. Recently your office awarded us the 2011 North Star Award for International Excellence in Export Services. This small Alaska based company has successfully prosecuted projects in the Middle East and Mediterranean regions.

Capitalizing on the success of our business model, we have been working with WTCAK to locate opportunities in South Asia. With their help and through their excellent South Asian regional network connections we have developed key relationships that we are using to create some new and very exciting export items from Alaska to South Asia. We could not have done this efficiently and effectively without the support we received from WTCAK.

I hope this letter provides a demonstrated example of how WTCAK is beneficial to small Alaskan businesses, and the great State of Alaska.

If you have any questions regarding this letter of support do not hesitate to contact me at (907) 230-8884 or at <a href="mailto:spelant@polyearthconstruction.com">spelant@polyearthconstruction.com</a>

Regards,

Samuel Pelant, PMP Managing Director

PolyEarth Construction International, LLC

# South-Central Timber Development, Inc.

17 May 2011

Governor Sean Parnell P.O. Box 110001 Juneau, AK 99811-0001

Re: World Trade Center Alaska Appropriation of \$300,000

Dear Governor:

This letter is to urge your allowance of the full capital budget appropriation to the World Trade Center Alaska (WTCAK).

The \$300,000 will support the international trade activities of the World Trade Center Alaska. WTCAK is the only work-a-day, bread and butter agency in the whole State of Alaska which specializes in the encouragement, promotion and realization of international trade. A significant portion of our gross state product results from overseas commerce between Alaska and its foreign trading partners. But WTCAK cannot do its vital work without at least \$300,000 of direct state assistance. With your concurrence, Governor, we look forward to Alaska's best export year yet, and we pledge to work closely with the state and its commerce people.

We look forward to conducting our vital business under your enlightened leadership, and in jointly plowing the very fertile fields of international trade.

Cordially yours,

Joseph R. Henri President

TELEPHONE: (907) 279-1493

FAX: (907) 279-4785



# Bill Brophy Vice President, Customer Relations

The Honorable Sean Parnell Governor-State of Alaska P.O. Box 110001 Juneau, AK 99811-0001

Dear Governor Parnell,

May 18, 2011

I encourage your support for full funding of World Trade Center Alaska (WTCAK) with \$300,000 for general funding and trade promotion.

World Trade Center Alaska is beneificial to Usibelli Coal Mine, Inc. and has been an instrumental part of developing and prospering international trade for the Great Land. Export of Alaska's natural resources to Pacific Rim destinations is important to develop and sustain our economy.

Your favorable consideration of full funding is greatly appreciated.

With best regards,

## Bill

Cc: Lieutenant Governor Mead Treadwell Mr. Mike Nizich, Chief of Staff